REMARKS

This amendment accompanies a request for continued examination under 37 C.F.R. § 1.114. By this paper, claims 28-37 and 45-46 have been cancelled. New claims 47-59 have been added. Consideration and allowance of claims 47-59 is respectfully requested.

Rejection of claims

In the application, claims were rejected as being unpatentable over U.S. patent number 6,421,675 to Ryan, et al. ("Ryan"). In the office action mailed October 22, 2004, the examiner asserted that independent claim 28 contains intent of use language which is not considered as limitations for a system claim.

Accordingly, claim 28 has been cancelled and rewritten as new independent claim 47 to remove the alleged intent of use language and to instead positively recite physical components, modules, devices, apparatus, etc., as suggested by the office action Claim 47 thus recites "an input device," "a database," "a search engine" including code, "an output device," "an account management server," and "a software agent" including code. New claims 48-58 have been added to further define the claimed subject matter and . These claims generally track previous claims 29-37 but have been rewritten with the examiner's comments in mind.

Consideration of new claim 47 and its dependent claims 48-58 in light of these amendments is respectfully requested. New claim 59 has been added to further claim the disclosed subject matter. No new matter is added by any of these amendments.

Independent claims 47 and 59 include limitations absent from the cited references. The present invention defined by claims 47-59 relates to an _automatic advertiser notification_ system and method for use in a database search system, such as a pay for placement search system. In such a system, advertisers maintain search listings in a database. They establish bid amounts for their search listings by bidding against other advertisers who have search listings for the same search term or key

word. When a query is received from a searcher, search listings which match the query are located, arranged using the bid amounts set by the advertisers, and displayed to the searcher. If a search listing is referred to the searcher, such as when the searcher clicks through an advertiser's search listing, the bid amount is charged to the advertiser by the operator of the marketplace. Advertisers can control the position of their search listing in the search result list by adjusting the bid amount associated with their search listing.

The presently disclosed embodiments relate to apparatus for advertisers to specify automatic software agents which automatically monitor an advertiser's search listings and provide notifications to the advertiser of the occurrence of specified conditions. Such notifications may be provided to the advertiser in any of a number of convenient channels, such as email or page or facsimile. The notifications may include action types such as an active link or a response telephone number built right in to the notifications so that the advertiser can respond rapidly and conveniently. This increases advertiser convenience, allows more rapid response to changing conditions, and frees up personnel who have heretofore been assigned to monitoring the status of search listings for the advertiser. These features may be provided at minimal expense to the pay for placement system operator and the advertisers. Further, the claimed invention provides for automatically updating the search listings of the advertiser.

The office action has cited Ryan against independent claim 28. With respect to new independent claims 47 and 59, it is respectfully submitted that these new independent claims are patentable over Ryan. Ryan actually relates to

> a method of updating an internet search engine database with the results
> of a user's selection of specific web page lists from the general web page
> listing provided to the user as a result of his initial keyword search entry.
> *By updating the database with the selections of many different users*, the
> database can be updated to prioritize those web listings that have been
> selected the most with respect to a given keyword, and hereby
> presenting first the most popular web page listings in a subsequent
> search using the same keyword search entry. *(emphasis added)*

Ryan, column 2, lines 27-36. In one embodiment, Ryan further provides "a system for tracking changing content, and allowing for content providers to dynamically select

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when their content will be displayed." See Ryan, column 30, line 52 to column 35, line 29. The system determines a value of the content provided by content providers. "When deciding which content gets displayed the system compares the value of the content for all the possibilities (keyword combinations of profile types) and sends out the content that has the most value as determined in step 862." Ryan column 33, lines 52-56. Advertisers define a selection factor A which specifies value of the content to the advertiser. The relative selection factors determine how often the content of the content provider is displayed. Column 34, table and lines 5-65:

> Therefore, content provider 2 would now get transmitted 66% of the time (10/15) and the new content provider would be displayed 33% of the time.

Ryan, column 34, lines 31-34.

Because of actions of other content providers, the content provider's content can drop off the list of content to be provided. Ryan provides in this event that

> The content provider can, in a preferred embodiment, be notified by e-mail if their content 902 has dropped off the list due to their value limit M.

Ryan, column 34, lines 63-65.

Ryan thus fails to show features of the invention defined by independent claims 47 and 59. Claim 59 is limited to "A database search system *in a pay for placement marketplace" (emphasis added)*. Claim 47 specifically recites features of one such pay for placement marketplace, i.e., "each search listing including a search term and at least one of a variable cost per click (CPC) and a variable display rank, the CPC being payable by the respective advertiser of a plurality of advertisers when the search listing including the search term is referred to a user in response to a keyword received at the input device from the user, the search listing being displayable with other search listings in a rank according to the associated CPC and the display rank of the search listing and the other search listings stored in the database." These features are not disclosed in Ryan, which in no way relates to a pay for placement marketplace.
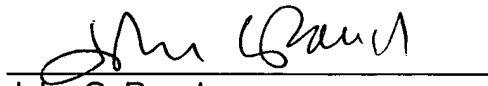
Further, Ryan fails to show a software agent including all the features recited in claim 47, including "code to receive an automatic notification condition," "code to

monitor the condition," "code to provide condition update information," and code to automatically adjust the CPC for a search listing." Since Ryan fails to show, describe or suggest these features of the claimed invention, it is respectfully submitted that claim 47 is patentable over Ryan.

With this response, the application is believed to be in condition for further action on the merits. Should the examiner deem a telephone conference to be of assistance in advancing the application to allowance, the examiner is invited to call the undersigned attorney at the telephone number below.

Respectfully submitted,

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